



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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EXPORT/IMPORT
AND
INTERNATIONAL SECURDS

Mr. James R. Shea
Director
Office of International Programs
United States Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Shea:

I refer to the letter from your office dated March 20, 1980, requesting Executive Branch views as to whether issuance of an export license in accordance with the application hereinafter described would be inimical to the common defense and security of the United States, and whether the proposed export meets the applicable criteria in the Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XMAT0103 -- Application by Coordination Council for North American Affairs for authorization to export 4,000 kilograms of D₂O (heavy water) for use as moderator in the Taiwan Research Reactor (TRR).

It is the judgment of the Executive Branch that the contemplated component export will not be inimical to the common defense and security of the United States and is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978, provided that the initial export is limited to 2,000 kilograms and that subsequent annual shipments do not exceed 500 kilograms.

As a non-nuclear weapon party to the Nuclear Non-Proliferation Treaty, Taiwan has accepted IAEA safeguards on all its nuclear facilities and has pledged not to produce or otherwise acquire any nuclear explosive device. It is, therefore, the judgment of the Executive Branch that criteria (1) and (2) for the export of nuclear components under Section 109b of the NNPA are met. The Coordination Council for North American Affairs has provided assurances that none of the material covered by this application will be retransferred to other nations or groups of nations without prior US consent, thereby meeting criterion (3) of Section 109.

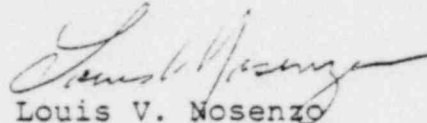
*Copy to PDR and ACC 9-9-80
Shea, Devine, Kessler/Cohen, Nms, Peterson

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For your information, the heavy water proposed for export is to replace losses of heavy water moderator incurred during operation of the TRR. The Deputy Director of the Institute of Nuclear Energy Research has also informed the Executive Branch (copy enclosed) that the material proposed for export under this application will be used exclusively as moderator for the Taiwan Research Reactor (TRR), and that the material upon receipt will be entered immediately into the safeguards inventory for the TRR material balance area.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

Enclosure
Assurance Note

SHIMMEN 245
BLE. "NUCLINST" SHIMMEN
TELEX: 34154 CAEC
YOUR REF

Institute of Nuclear Energy Research

ATOMIC ENERGY COUNCIL
REPUBLIC OF CHINA

P. O. BOX 3
LUNG-TAN TAIWAN

OUR REF

STATEMENT OF END USE

This is to certify that the 4,000 kilogram heavy water being placed in order by this Institute is to be used exclusively as moderator for the Taiwan Research Reactor (TRR) which has been under safeguard of the International Atomic Energy Agency (IAEA) ever since its construction.

To secure nuclear safety, adequate heavy water in spare is of great importance to the operation of TRR which has never had replenishment in heavy water since its commissioning.

We pledge that the material in question, upon receipt, shall immediately be entered into inventory of appropriate Material Balance Area (MBA) of TRR for IAEA safeguard and shall not be used for any purpose other than as moderator in the TRR.

Signed by:

Kuang-Chi Liu

Kuang-Chi Liu
Deputy Director

enclosure

Copy for Mr. Helfrich

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COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS
OFFICE IN U.S.A. / SCIENCE DIVISION
4301 CONNECTICUT AVENUE, N.W., SUITE 132
WASHINGTON, D.C. 20008

COPY

CABLE ADDRESS: SINOSINTS
TELEPHONE: (202) 244-0822

REFERENCE NO.

May 14, 1980

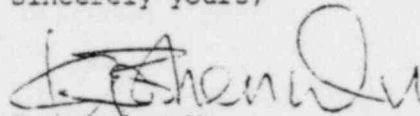
Assistant Director for Export/Import
and International Safeguards
Office of International Programs
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Sir:

With reference to my letter dated March 12 concerning the application for license to export 4 tons of Heavy Water from Savannah River Operation Office, U.S. Department of Energy, to the Institute of Nuclear Energy Research in Taiwan; I would like to transmit to you herewith a Supplementary Statement of End Use made by the Institute.

I hope this will meet the requirement of the licensing process. Your approval would be much appreciated.

Sincerely yours,



Kwang-shen Wu
Senior Scientific Assistant

Encl:

cc: Trans Nuclear Inc.

Dupe
800 5280825

TEL. SHIMMEN 245
CABLE "NUCLINST" SHIMMEN
TELEX: 34104. CAEC
YOUR REF

Institute of Nuclear Energy Research

ATOMIC ENERGY COUNCIL
REPUBLIC OF CHINA

P O BOX 3
LUNG-TAN TAIWAN

OUR REF

Supplementary Statement of End Use

This statement supplements the one made by the same signer for 4,000 kilograms of heavy water to be used exclusively as moderator for the Taiwan Research Reactor (TRR).

As of this date, there are 19,164 kilograms of heavy water in TRR system while spare which can readily be used are only 1,255 kilograms. Since its commissioning in November 1972, the TRR has been in operation for more than seven years. The system as a whole is deteriorating, components and parts are getting old and very easily to be worn out. Leakage rate is increasing and will become more and more a serious problem. To meet the unpredictable major leakage due to aging of equipment, adequate heavy water in spare is necessary.

It is reassured that upon receipt the heavy water in question will immediately be entered into appropriate material balance area (MBA) of TRR for IAEA safeguards.

It is further declared that so far the Institute has no other contract or order in effect for heavy water supply except the 4,000 kilograms in question.

Signed by:

Kuang-Chi Liu

Kuang-Chi Liu
Deputy Director

Date: April 29, 1980